GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Information Technology, Electronics and Communication Department – Package of incentives for M/s. HCL Enterprises Limited for the units proposed to be set-up in Krishna and Guntur Districts for setting up operations, center of excellence etc.–Orders - Issued.

INFORMATION TECHNOLOGY, ELECTRONICS AND COMMUNICATION (PROMOTIONS) DEPARTMENT

G.O.MS.No. 3 **Dated: 30-03-2017.**

Read the following:-

1. G.O.Ms.No.13, ITE&C (Promotions) Dept., dt:11.08.2014
2. G.O.Ms.No.21, ITE&C (Promotions) Dept., dt:22.09.2016
3. Empowered Committee of Secretaries Meeting held on 09.02.2017.
4. State Investment Promotion Board Meeting by circulation.

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ORDER:

In the G.O. 1st read above, the Government of Andhra Pradesh issued Information Technology Policy 2014-20 and seeks to attract investments to the tune of $ 2 billion in Information Technology and $ 5 billion in Electronics and create employment opportunities for an additional 5 lakh people by the end of 2020. Further, the Andhra Pradesh Information Technology 2014- 2020 has a stated vision to develop the software industry as an important growth engine for Andhra Pradesh through effective use of the talent pool, skill enhancement, promotion of innovation & future technologies and creation of excellent infrastructure.

2. To capitalize the inherent strengths of Andhra Pradesh and to attract the major entities in the IT & ITeS sector, the A.P. Information Technology Policy 2014-20 envisages to promote the development of Mega IT Hubs by 2020 especially in Visakhapatnam. In the G.O.s 1st & 2nd read above, orders have been issued providing various incentives to the Information Technology units set-up in the State.

3. Within the IT sector, the center of excellence and operations constitutes one of the most important segments. The advent of new disruptive technologies in India has changed the entire paradigm of IT sector. This sector is exhibiting strong year-on year growth, which is likely to continue for at least the next two decades before it is expected to stabilize.

4. Historically, India has been an exporter of IT services, employing highly skilled workforce, and a generation of significant amount of IP (Intellectual Property) by way of R&D into both software and hardware.

5. In the reference 3rd read above, the empowered committee has discussed the proposal and recommended to the SIPB with certain incentives to, M/s. HCL Enterprise Ltd. proposed to set up its unit in A.P and have requested for a customized package of incentives.

6. In the reference 4th read above, the State Investment Promotion Board (SIPB) has considered certain incentives to M/S HCL Enterprises Limited.

7. Government after careful examination of the policy and the recommendations of the State Investment Promotion Board, and in order to ensure clarity hereby issue the following orders regarding the eligible package of incentives applicable to M/s. HCL Enterprise Limited, for its unit proposed to be set-up in Vijayawada and Amravati for operations and center of excellence etc.:

i. **Mega Status –** Mega project status to Information Technology company as defined in the APIT policy 2014-20 with an investment of 500 crore and creating employment for 5000 people.
ii. **One time employment incentive:** Rs.1 Lac for each employment generation by HCL as one time employment incentive for each phase for a period of first 5 years.
iii. **Skill Development:** Grant of Rs.5,000/- per student per month for 5 years each for Phase 1 and Phase 2, to support training of students and making them employable.
iv. **Interest Subsidy:**
Considered the request for providing interest subsidy @5% for 10 years have not been agreed. Instead, the EC recommended the following:
    a. Phase I: Interest subsidy, of 5%, subject to a cap of Rs. 55 Cr for a period of 10 years from the commencement of infrastructure development.
    b. Phase II: Interest subsidy, of 5%, subject to a cap of Rs.19 Cr for a period of 10 years from 2022.

v. **Stamp duty & Registration fee:** 100% reimbursement of Stamp Duty and Registration for the purchase / lease of land / office space / building for IT/ITeS or Training Centre use.
vi. **SEZ status for the IT & Training Centers:** State Govt. to facilitate with Government of India with respect to SEZ approval.
vii. **VAT/CST/GST:** 100% reimbursement of net of VAT/SGST/CST for the period of 8 years on capital goods and raw material for Infrastructure.
viii. **Rent free training space:** State to provide rent free temporary training space for a period of one year in the space/ area provided by APSSDC prior to the commencement of operations at the Skill Development Centre set up by HCL Enterprises in the allotted land parcel for Phase- I.
ix. Floor Space Index (FSI) for the construction in the ratio of 1:2 subject to approval of Director AAI.
x. State will facilitate for adequate local transport from the city to IT and Training Centers and provide for adequate security in the vicinity.

xi. **Land Allotment**: The Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall provide land, on freehold basis, to the HCL Enterprise at a rate of Rs.30 lakhs per acre for Phase 1 and at concessional rate as mutually agreed between the parties for Phase 2, to the extents mentioned as hereunder:
    a. Phase I - 17.86 Acres of developed land at Keesarapalli revenue survey number 20/3, near Vijayawada Airport opposite to Vijayawada Airport & on highway. GoAP shall provide access and exit (at-least two) to this parcel of land.
    b. Phase II- Additional 10 Acres of developed land at Amravati

xii. State to provide for separate Transmission line of 33 KV – 133 KV based on the load requirement.

xiii. Provide for timely clearances under Single Desk Portal and appoint a nodal officer to be the single point of contact for M/s HCL.

xiv. State to provide for subsidized rate of tariffs for utility services.

xv. State to provide for uninterrupted power supply as per AP IT Policy 2014-20.

xvi. Sublease of land / infra without any approval/ charges / taxes / duties to be provided within the ambit of AP IT Policy 2014-20. The parties agree that any subletting of such land shall not deviate from the intended purpose.

xvii. Permission to run 24*7 shifts and employment of women in all three shifts as per APIT policy 2014-2020

xviii. These units are also eligible for all other incentives provided in the AP IT Policy, 2014-20.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. VIJAYANAND
PRINCIPAL SECRETARY TO GOVERNMENT

To
M/s. HCL Enterprises Ltd.
The Director of Industries, Andhra Pradesh, Vijayawada.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Andhra Pradesh, Vijayawada.
The Spl. Chief Secretary to Government, Revenue (CT) Department
The Spl. Chief Secretary to Government, Revenue (Registration & Stamps)
The Principal Secretary to Government, Finance Department
The Principal Secretary to Government, Energy, I&I Department
The Principal Secretary to Government, Water Resources Dept.
The Secretary to Govt., Skill Development Entrepreneurship and Innovation Dept.
The Commissioner, CRDA, Vijayawada
The District Collector, Krishna.

Copy to
The LET & F (Employment) Department.
The Law (H) Department
The GM, DIC, Krishna
The ZM, APIIC, Krishna

The Accountant General, Andhra Pradesh, Vijayawada
The Pay and Accounts Officer, Vijayawada
The OSD to Minister IT
The P.S. to Prl. Secretary to Chief Minister
The P.S. to Chief Secretary to Government
The P.S. to Secretary to Government & CIP

// FORWARDED:: BY ORDER//

Joint Secretary (HRD) i/c